



South Carolina House of Representatives

# Legislative Update

David H. Wilkins, Speaker of the House

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*NOTE: Bill summaries included in this document are prepared by the staff of the South Carolina House of Representatives and are not the expression of the legislation's sponsor(s) or the House of Representatives. The summaries are strictly for the internal use and benefit of members of the House of Representatives and are not to be construed by a court of law as an expression of legislative intent.*

## HOUSE WEEK IN REVIEW

The House of Representatives amended, approved, and sent to the Senate H.4765, which beginning with the 2005 tax year, **REDUCES THE CURRENT SEVEN PERCENT TOP MARGINAL RATE OF STATE INDIVIDUAL INCOME TAX** in annual increments of .225 percent until a permanent top marginal rate of 4.75% is attained. The bill provides that beginning with the top marginal rate applicable for taxable year 2006, the reduction must not be made for that taxable year if estimated general fund revenue growth is less than two percent of the most recent estimate by the Board of Economic Advisors of general fund revenues for the current fiscal year. No reduction in the top marginal rate may exceed .225 for any one taxable year. The bill also provides that no reductions in the income tax rates provided for in this legislation for any taxable year may occur unless the Board of Economic Advisors certifies that sufficient general fund revenues for the fiscal year immediately following the reduction will remain available for the General Assembly in the annual general appropriations act for that year to maintain K-12 education funding at the level of the previous year.

The House amended, approved, and sent to the Senate H.4271, a bill which **EXEMPTS FROM PROPERTY TAX AN AMOUNT OF FAIR MARKET VALUE OF CERTAIN REAL PROPERTY SUFFICIENT TO ELIMINATE ANY VALUATION INCREASE ATTRIBUTABLE TO A COUNTYWIDE APPRAISAL AND EQUALIZATION PROGRAM**. The exemption does not apply to value attributable to property or improvements not previously taxed; real property transferred after the year in which the most recent countywide equalization program was implemented (with certain exceptions); and real property valued for property tax purposes by the unit evaluation method. With each subsequent equalization and reassessment program, the value of the property, reduced by the amount of exemption granted under the bill, may not increase except in the year following a disqualifying transfer in ownership. When the property is no longer eligible for the exemption due to a transfer, the property will be taxed in the tax year following the transfer at market value based on the transfer of ownership or at the appraised value. The bill includes a requirement for closing attorneys to notify buyers at real estate transfers that the property may be subject to taxation at fair market value during the next tax year. The bill outlines procedures for qualifying for the exemption and includes penalties for a person who signs a certification declaring that the property is eligible, obtains the exemption, and is subsequently found to be ineligible. The bill also provides for a task force to be appointed in 2014 by the Speaker of the House and the President *Pro Tempore* of the Senate to study the effects of these provisions on homeowners and on the real estate industry, and report findings and recommendations to the General Assembly by January 2015.

The House amended, approved, and sent to the Senate H.3689, which **EXEMPTS FROM PROPERTY TAX AN AMOUNT OF FAIR MARKET VALUE OF REAL PROPERTY SUFFICIENT TO LIMIT TO FIFTEEN PERCENT ANY VALUATION INCREASE ATTRIBUTABLE TO A COUNTYWIDE APPRAISAL AND REASSESSMENT PROGRAM**. The bill delineates instances in which the exemption does not apply,



including but not limited to certain transfers of the property, value attributable to property or improvements not previously taxed, and renovations. The bill provides that once the taxable value of a property is reduced because of this exemption, that reduced value is effective until the next equalization and reassessment program. The bill provides that once a property is transferred and no longer eligible for the exemption, the property is subject to taxation in the tax year following the transfer at its market value based on the sale or transfer of ownership or at the appraised value determined by the county assessor. The bill requires the closing attorney at a real estate transfer to notify the buyer that the property may be subject to taxation the next tax year at a value that reflects its fair market value. The bill specifies procedures which are required of a property owner to qualify for the exemption and provides penalties for property owners who obtain the exemption and are later found not eligible. The bill requires the Speaker of the House and the President Pro Tempore of the Senate to appoint, by January 14, 2014, a task force to study the effects of these provisions on homeowners and on the real estate industry and recommend changes in a report to the General Assembly by January 13, 2015.

The House amended, approved, and sent to the Senate **H.4657**, a bill providing for **NO RECOGNITION OF SAME SEX MARRIAGES UNDER SOUTH CAROLINA LAW**. The legislation provides that marriage in this state and its political subdivisions is exclusively defined as a union between one man and one woman. The legislation provides that public acts, records, judicial proceedings, licenses issued by another jurisdiction, and any other governmental recognition of same sex marriage are of no legal force or effect and will not be recognized by this state or its political subdivisions in accordance with the strong public policy of South Carolina. The legislation provides that the recognition or extension by this state or its political subdivisions of the specific statutory benefits of a legal marriage to nonmarital relationships between persons of the same sex or different sexes is against the strong public policy of this state and its political subdivisions. The legislation voids any public act, record, or judicial proceeding of this state, its political subdivisions, and any other jurisdiction that would provide for such an extension.

Both the House and the Senate voted to override the Governor's veto on **S.560**, a bill enacting the **LIFE SCIENCES ACT** and making other provisions regarding **ECONOMIC DEVELOPMENT, HIGHER EDUCATION, AND BONDS**. The House and Senate also voted to override the Governor's veto on **H.3900**, legislation providing for the appropriation of proceeds from the bonds authorized in S.560.

The House gave third reading approval to **H.4925**, the **FISCAL YEAR 2004-2005 GENERAL APPROPRIATIONS BILL**, and sent the legislation to the Senate.

The House amended Senate amendments to **H.4642** and returned the bill to the Senate. This legislation establishes an annual **POW/MIA RECOGNITION DAY** in South Carolina.

The House returned **S.154** to the Senate with amendments. This bill **REVISES PROCEDURES AND TIMELINES FOR FINGERPRINT REVIEW AND CRIMINAL RECORD CHECKS FOR APPLICANTS FOR INITIAL EDUCATION CERTIFICATION**. The bill requires that a person enrolled in a teacher education program in this State



must be advised by the college or university that his prior criminal record could prevent certification as a teacher in this State. The bill requires that before beginning full-time clinical teaching experience in this State, a teacher education candidate shall undergo both a state and a national criminal records check as provided in the bill. The bill provides that a teacher education candidate with arrests or convictions that could affect his fitness to teach may be denied the opportunity to complete the clinical teaching experience and qualify for initial teacher certification. If denied, such a candidate may, after one year, request reconsideration as provided in the bill. The bill requires that a graduate of a teacher education program applying for an initial teacher certification must have completed the FBI fingerprint process within eighteen months of applying for initial certification or the fingerprint process must be repeated. The bill also provides that an institution of higher learning in South Carolina offering education as a major must inform a potential education major considering teaching as a career that his prior criminal history could prevent certification as a teacher in this State, and the student may then choose to have a SLED background check for advisement purposes (at his own expense).

The House amended, approved, and sent to the Senate H.4165, regarding the **MEMBERSHIP OF THE STATE BOARD OF EDUCATION**. This bill adds a nonvoting member - to be appointed by the Governor for a two-year term - who must be the Commander, or his designee, of a military installation headquartered in the State.

The House approved and sent to the Senate H.4539, which **REPEALS REQUIREMENT THAT THE STATE BOARD OF EDUCATION, FOLLOWING THE RECOMMENDATIONS OF THE EDUCATION OVERSIGHT COMMITTEE, SELECT A NORM REFERENCED TEST TO OBTAIN AN INDICATION OF STUDENT AND SCHOOL PERFORMANCE RELATIVE TO NATIONAL PERFORMANCE LEVELS**.

The House amended, approved, and sent to the Senate H.3957, a bill providing for **REVISED TERMS OF SERVICE FOR MUNICIPAL JUDGES**. The bill provides that each municipal judge must be appointed by the municipal council to serve for a term set by the council of not less than two years and not more than four years. Under current law a municipal judge serves for a term set by the council that is not to exceed four years.

The House amended, approved, and sent to the Senate H.4081, a bill providing for conditions under which an **ENGINEER, ARCHITECT, LANDSCAPE ARCHITECT, OR REAL ESTATE BROKER MAY ACQUIRE A LIEN ON COMMERCIAL PROPERTY** when reimbursement is not received for certain professional services rendered.

The House amended, approved, and sent to the Senate H.4548, a bill pertaining to **PENALTIES FOR SHOOTING LIVESTOCK**. This bill provides that any person who is convicted of or pleads guilty or nolo contendere to a criminal offense resulting from the shooting of any bovine or equine animal shall have his hunting privileges suspended for a period of two years. In addition, before the suspension period may be lifted, the offender successfully shall complete a hunter education class or course educating the offender on the proper use of weapons, game identification, and safety.

The House approved and sent to the Senate H.4922, a bill to authorize the Area Commission of **FLORENCE-DARLINGTON TECHNICAL COLLEGE TO ENTER INTO GROUND LEASE AGREEMENTS WITH A PRIVATE ENTITY FOR THE CREATION AND OPERATION OF AN ON-CAMPUS FACILITY.**

The House amended, approved, and sent to the Senate H.4912, a joint resolution authorizing the **EXTENSION OF THE 2004 SHAD SEASON IN GAME ZONES 5 AND 9** until April 15, 2004.

## HOUSE COMMITTEE ACTION

### EDUCATION AND PUBLIC WORKS

The Education and Public Works Committee gave a favorable report on H.4797, a bill which provides that **A STUDENT FIFTEEN YEARS OF AGE WHO IS ENROLLED IN A HIGH SCHOOL DRIVER'S TRAINING COURSE IS NOT REQUIRED TO OBTAIN A BEGINNER'S PERMIT WHILE PARTICIPATING IN THE COURSE AND ACCOMPANIED BY AN INSTRUCTOR.** Currently, there is no age requirement in this section. The bill also **REPEALS A SECTION OF LAW WHICH REQUIRES THE DEPARTMENT OF MOTOR VEHICLES, WITHIN TEN DAYS AFTER NOTICE OF A MOVING TRAFFIC VIOLATION BY A PERSON UNDER THE AGE OF EIGHTEEN YEARS, TO MAIL A COPY OF THE CHARGES TO THE OWNER OF THE VEHICLE USED IN THE VIOLATION.**

The Committee reported favorable with amendment on H.4798. As reported by the Committee, this bill **ALLOWS THE DEPARTMENT OF MOTOR VEHICLES (DMV) TO ACCEPT ELECTRONICALLY FILED LIEN INFORMATION FOR NEWLY ACQUIRED VEHICLES, VEHICLES ALREADY TITLED, AND LIEN RELEASES.** The bill also authorizes and provides for the DMV to collect a transaction fee of up to five dollars per transaction from commercial parties who transmit or receive data from the DMV pursuant to this section. The bill requires that these fees will be used by the DMV to defray the expenses of this program.

The Committee reported favorable on H.4803, a bill concerning **OBTAINING A PERMIT FOR OPERATION OF A GOLF CART ON CERTAIN HIGHWAYS AND STREETS** during daylight hours. The bill adds a requirement that the owner of the cart shall provide proof of his ownership to the Department of Motor Vehicles, as provided in the bill.

### MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS



The Medical, Military, Public and Municipal Affairs Committee reported favorable with amendment on **S.104**, a bill **LEGALIZING THE PRACTICE OF TATTOOING BY PERSONS WHO ARE NOT PHYSICIANS**. South Carolina law currently provides that it is unlawful for a person to tattoo any part of the body of another person. The only exception is for a licensed physician if, in the doctor's medical opinion, it is necessary to tattoo a person when performing cosmetic or reconstructive surgery.

As reported by the Committee, this bill legalizes the practice of tattooing by persons who are not physicians. It mandates the use of strict sterile techniques for tattooing and prohibits tattooing of the head, face or neck. All tattoo artists will be required to use only single-use, disposable needles. It also makes it unlawful for anyone to perform tattooing on a person:

- under the age of 18,
- impaired by drugs or alcohol, or
- with a skin rash, pimples, boils, keloids, sunburn, infections or unhealthy conditions at the tattoo site.

Every tattoo artist in South Carolina will be required to register with DHEC. A tattoo artist must be at least 21 years old, comply with OSHA guidelines, have a current Red Cross First Aid Certification and CPR certification, and annually complete a course in blood borne pathogens and tattooing infection control approved by DHEC. A tattoo artist must conspicuously display these certifications in the facility where he works.

In order for a tattoo facility to receive a DHEC license the operator must:

- obtain a copy of the DHEC sterilization, sanitation and safety standards for tattoo facilities and commit to meet these standards;
- pass an initial facility inspection and pay a licensure fee to be set by DHEC;
- have a certified copy of an ordinance passed by the local governing body where the business will be located approving the tattooing of persons within its jurisdiction;
- display the facility license and notice of blood donor disqualification regulations.

The bill prohibits DHEC from issuing a permit for a facility if the location is within 1000 feet of a church, school or playground. A person who intends to apply for a tattoo facility license must advertise at least once a week for three consecutive weeks in a local newspaper.

A tattoo facility may only provide tattooing and may not engage in any other retail business including, but not limited to, the sale of goods or performing any form of body piercing other than tattooing.

The bill requires DHEC to establish standards and promulgate regulations for tattoo artists and tattoo facilities. It gives DHEC the authority to conduct inspections of tattoo facilities and DHEC may revoke, suspend, or refuse to issue or renew a tattoo permit for violation of the law.

The bill specifies that all fees and monetary penalties collected must be used exclusively to support the tattoo licensure program. It authorizes DHEC to charge an additional fee, if necessary, to cover the cost of on-site facility inspections.

The bill provides that a person who violates a provision of this act is guilty of a misdemeanor and must be fined up to \$2500 or imprisoned up to one year or both. It also specifies that money collected from fines must be remitted to DHEC and used to offset the cost of administering the tattoo regulation program.

The bill also includes a provision that clarifies the authority of a physician or surgeon to delegate the task of tattooing a patient to a member of the doctor's staff. (§40-47-60 of the South Carolina Code of Laws authorizes a doctor to direct a physician's assistant or other supervised staff to perform certain tasks according to their level of training and in accordance with rules and regulations of the State Board of Medical Examiners.) The bill also clarifies a doctor's authority to tattoo a patient in situations where it might not be strictly necessary but is appropriate to restore a natural appearance.

The Committee reported favorable with amendment on H.4731. As reported by the Committee, this bill **DEFINES A FUNERAL PROCESSION** as two or more vehicles accompanying the body of a deceased person when the vehicles have their headlights on or are displaying a pennant clearly attached to the vehicles or are escorted by a law enforcement vehicle. The bill also allows a funeral procession the right-of-way at an intersection. The procession may proceed through the intersection if it is led by an escort vehicle displaying flashing yellow, red, or blue lights, except when an emergency vehicle requires the right-of-way, or when directed by a law enforcement officer, or the vehicle is a train.

This bill also prohibits a person who is not part of a funeral procession from interfering, cutting in, or engaging in any other act for the purpose of gaining the right-of-way granted to funeral processions unless directed by a law enforcement officer. The bill prohibits a vehicle that is not in the procession from passing or overtaking the procession unless directed to do so by law enforcement or if the procession is on a street, road or highway outside a city or town or on an interstate highway or state parkway. A person who violates the provisions of this bill is guilty of a misdemeanor that imposes a fine of not more than one hundred dollars. The bill also provides that it is unlawful for a vehicle not in the procession to pass a procession in either direction unless the driver is traveling in the opposite direction on a divided multi-lane highway, road or street.

## BILLS INTRODUCED IN THE HOUSE THIS WEEK



## **AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS**

### **H.4972 *SOUTH CAROLINA EQUINE INDUSTRY PROMOTION ACT* Rep. Rice**

This bill enacts the *South Carolina Equine Industry Promotion Act*, which establishes a board and program to promote the State's equine industry as provided in the bill. The bill imposes an assessment of two dollars per ton on the sale of commercial equine feed, with the revenue from this assessment directed to support the program.

### **H.4980 *CERTIFICATE OF VETERINARY INSPECTION FOR OUT-OF-STATE LIVESTOCK* Rep. Witherspoon**

Regarding the certificate of inspection for out-of-state livestock or poultry entering this State, and the quarantine of uncertified animals, this bill allows the Director of the Division of Livestock-Poultry Health to authorize alternative measures which he believes offer at least the equivalent protection for the livestock industry.

### **H.4981 *EXEMPTIONS FROM MEAT INSPECTION REQUIREMENTS* Rep. Witherspoon**

This bill deletes the current provision that livestock slaughtered by a producer on the farm for the personal or family use of the owner is exempt from meat inspection requirements. The bill adds a provision that the exemption applies to the slaughter on his own premises of livestock of his own raising, and the preparation and transportation in intrastate commerce of the carcasses, parts thereof, meat and meat food products of such livestock exclusively for use by him, members of his immediate household and his nonpaying guests and employees.

### **H.4996 *RELEASING NONDOMESTIC PIGS* Rep. Bowers**

This bill prohibits the release of a nondomestic member of the pig family into the wild and provides penalties for violation of the prohibition. Additionally, the bill provides that persons violating the prohibition are financially responsible for damage caused as a result of the release.

## **EDUCATION AND PUBLIC WORKS**

### **S.857 *HUMAN REMAINS DONATED TO USC SCHOOL OF MEDICINE* Sen. Knotts**

This bill provides that after notification to the Department of Health and Environmental Control, the U.S.C. School of Medicine may remove and relocate, at its expense, the cremains of a person whose body was donated to and the cremains interred by the school of medicine from a grave or cemetery in the State to a memorial garden maintained at the school of medicine.

### **H.4976 *BREAST CANCER AWARENESS SPECIAL LICENSE PLATES* Rep. Harrell**



This bill authorizes and provides for "Breast Cancer Awareness" special license plates.

**H.4977 DEFINITIONS REGARDING REFUNDABLE STATE INCOME TAX CREDITS/HOPE SCHOLARSHIP RECIPIENTS Rep. Townsend**

This bill provides that, for purposes of state individual income tax credits for tuition paid at certain higher education institutions, an individual who is a HOPE Scholarship recipient is excluded from the definition of "student."

**H.4978 HIGHER ED TUITION ASSISTANCE Rep. Townsend**

This bill provides that, for purposes of tuition assistance at a State technical college or public two-year institution, a high school student who is dually enrolled in an eligible two-year institution is not required to be degree-seeking and is not required to complete a Free Application for Federal Student Aid application. The bill also provides that recipients of Palmetto Fellows or HOPE Scholarships are not eligible for this tuition assistance.

**H.4988 PRIVATE ROADS Rep. Hagood**

This bill addresses the applicability of the South Carolina Uniform Act Regulating Traffic (the Act) to private roads, by providing that Article 45, Chapter 5, Title 56, of the Act, rather than the Act, is the means for the owner of a private road to have certain regulatory motor vehicle provisions apply to a private road.

**S.946 MIDLANDS TECHNICAL COLLEGE Sen. Patterson**

This bill creates and provides for the Midlands Technical College Enterprise Campus Authority (the Authority), a body politic and corporate, charged to provide for the management, development, and operation of the real and personal property identified in the bill as the "Enterprise Campus." The Authority is exempt from the South Carolina Consolidated Procurement Code and from all regulations and general laws governing disposal of surplus government property.

**H.4995 HIGHWAY DESIGNATION Rep. Bowers**

This bill designates a specified portion of U.S. Highway 17 in Colleton County as the Ace Basin Scenic Parkway.

## JUDICIARY

**S.883 DEPARTMENT OF CORRECTIONS PROVISIONS Sen. Fair**

This bill provides that the Director of the Department of Corrections may establish policies and procedures to restore to any inmate one-half of the good time lost for a disciplinary infraction if the inmate is not found guilty of a subsequent disciplinary infraction for 365 days from the date of his last adjudication of guilt of a disciplinary infraction. An inmate released as a result of the restoration of good time shall not have a cause of action against the department for false imprisonment. The director may, in his discretion, award up to 180 days of good time to any inmate who performs a particularly meritorious act which results in the reduction or avoidance of serious injury or death of any employee, civilian, or member of the

public while risking his own life or health. In no case shall the inmate's sentence be reduced to a level below that required by law to be served. The bill exempts from Freedom of Information Act disclosure architectural plans, drawings, or schematics or law enforcement policies whose disclosure reasonably would be used to facilitate an escape from lawful custody.

**H.4953 FEES AND COSTS COLLECTED BY REGISTERS OF DEEDS**

**Rep. E. H. Pitts**

This bill revises provisions relating to the schedule of fees and costs collected by registers of deeds, so as to provide that a separately executed assignment is a separate instrument for purposes of collecting the recording fee, even if it is filed simultaneously with the mortgage it assigns.

**H.4954 ENDORSEMENT OF A DEED** Rep. E. H. Pitts

This bill revises provisions relating to the recording of sales or other conveyances of real property by the county auditor, so as to eliminate the requirement of, and fee for, the auditor's endorsement on a deed. The bill eliminates provisions relating to endorsement of a deed by the county assessor and a county auditor.

**H.4955 INCLUSION OF DERIVATION CLAUSE ON A CONTRACT OF SALE OR BOND FOR TITLE OF REAL PROPERTY** Rep. E. H. Pitts

This bill revises provisions relating to the requirement of a derivation clause in a recorded deed or mortgage, so as to require that a derivation clause also be included on a contract of sale or bond for title of real property before it is accepted for recording.

**H.4956 METHODS OF ENTERING SATISFACTIONS OF MORTGAGES IN PUBLIC RECORDS** Rep. E. H. Pitts

This bill revises provisions relating to methods of entering satisfactions of mortgages in public records, so as to eliminate the requirement that an attorney's affidavit of satisfaction be probated or acknowledged.

**H.4957 DISSOLUTION OF A MECHANIC'S LIEN** Rep. E. H. Pitts

This bill revises provisions relating to dissolution of a mechanic's lien if suit for enforcement of the lien is not commenced within six months of its filing, so as to provide for the form and substance of an "Affidavit of Cancellation of Mechanic's Lien" for filing as record proof of dissolution of the lien.

**H.4964 DRIVING VIOLATIONS** Rep. Talley

This bill increases the fine for a first offense of driving a motor vehicle without a driver's license. The bill increases the fine for a first and second offense of driving a motor vehicle with a cancelled, suspended, or revoked driver's license. The bill revises provisions relating to the point system established for the evaluation of the operating record of a licensed driver by revising the offense of driving too fast for conditions, or speeding by creating additional violations and points relating to this offense. The bill increases the penalties for the offense of failure to stop a motor vehicle when signaled by a law enforcement vehicle. The bill increases the penalties for violating maximum speed limits allowed on the state's highways. The bill revises provisions relating to speeding in highway work zones, so as to revise



the penalties for a violation of this offense, and to revise the contents of the sign that is posted at the beginning of an active highway work zone. The bill increases penalties for the offense of reckless driving.

**H.4973 DRIVING WHILE INTOXICATED Rep. W. D. Smith**

This bill creates the offenses of driving while seriously intoxicated and driving while grossly intoxicated and provides penalties for these offenses. The bill provides for numerous revisions to Driving Under the Influence provisions.

**H.4987 "CRIMINAL GANG PREVENTION ACT" Rep. Harrison**

This bill enacts the "Criminal Gang Prevention Act." The bill establishes penalties for the use of threats used to coerce an individual into joining or prevent an individual from leaving a criminal gang. The bill establishes penalties for the use of threats to prevent witnesses from testifying in court proceedings. The legislation establishes civil causes of action relating to criminal gang activity. The legislation establishes new requirements for keeping records of gang activities.

**S.816 INCLUSION OF THE NAME OF ESSIE MAE WASHINGTON-WILLIAMS ON THE STROM THURMOND MONUMENT Sen. Ford**

This joint resolution directs the South Carolina State House Committee to modify the monument erected on the grounds of the Capitol Complex in recognition of the accomplishments of the late Strom Thurmond, United States Senator from the Palmetto State, so as to include the name of Essie Mae Washington-Williams among the engraved names of his children.

**H.4989 DISSOLUTION OF A SPECIAL PURPOSE DISTRICT Rep. Talley**

This bill revises provisions governing a referendum to dissolve a special purpose district.

## **LABOR, COMMERCE AND INDUSTRY**

**H.4959 WORKERS' COMPENSATION COVERAGE OFFERED THROUGH A CAPTIVE INSURANCE COMPANY Rep. Tripp**

This bill authorizes employers who would otherwise qualify as self-insurers to offer workers' compensation coverage directly through a captive insurance company.

**H.4974 MINIMUM NONFORFEITURE AMOUNTS FOR INDIVIDUAL DEFERRED ANNUITIES Rep. Cato**

This bill provides for minimum nonforfeiture amounts for individual deferred annuities. The bill revises provisions relating to the calculation of minimum nonforfeiture amounts of contracts issued after June 30, 2006, so as to change the time of applicability on these contracts. The bill revises temporary provisions relating to minimum values of any paid-up annuity, cash surrender, or death benefits available under certain annuities, so as to change the date of applicability from 2004 to 2006 to these contracts and provide that contracts entered into after the effective date of this act and before July 1, 2006, may apply, at the insurer's

option, the minimum values as provided in this act on certain annuities on a contract-form-by-contract-form basis.

**H.4975 PAYMENT FOR OUTPATIENT ANATOMIC PATHOLOGY OR CYTOLOGY SERVICES Rep. Cato**

This bill prohibits physicians and other specified healthcare professionals from soliciting payment for outpatient anatomic pathology or cytology services unless the service was personally rendered by that physician or healthcare provider. Exceptions and penalties are provided.

**H.4986 CONTESTING INDIVIDUAL LIFE INSURANCE POLICIES Rep. Tripp**

This bill revises provisions that must be contained in all individual life insurance policies, so as to provide that incontestability does not attach unless the policy or any rider or supplemental benefits has been in force for more than two years from the date of issue during the lifetime of the insured. The bill provides that an insured's death before the running of the two-year period does not bar the insurer from asserting the insured's fraud or false statements as ground to vacate the policy or to defeat the claim.

**S.949 REAL ESTATE AGENCY PROCEDURES Sen. Leatherman**

This bill provides for numerous revisions to real estate agency procedures.

**H.4990 CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES Rep. Harrell**

This bill establishes a Capital Access Program providing for flexibility in the making of loans by financial institutions to small businesses that fail to qualify for conventional or other guaranteed or assisted financing. The bill provides for the funding of a Loan Loss Reserve to repay participating financial institutions that suffer a loss on a loan. The bill provides for: administration of the program by Business Development Corporation of South Carolina; guidelines for selecting loan recipients; record keeping and reporting requirements; and distribution of reserve funds upon termination of institutional participation or the Capital Access Program, itself.

**H.5001 DEPARTMENT OF INSURANCE PROVISIONS Rep. Cato**

This bill provides for numerous revisions regarding the enforcement authority and activities of the Department of Insurance.

**H.5002 CAPTIVE INSURANCE COMPANIES Rep. Cato**

This bill provides for numerous revisions to statutes governing captive insurance companies.

## **MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

**S.604 STUDENTS AND ASTHMA MEDICATION Sen. Mescher**

This bill requires and provides for State school districts to adopt a policy authorizing a student to self-administer asthma medication. The bill also amends the South



Carolina Tort Claims Act so as to provide the district immunity from liability for an injury a student may sustain as a result of self-administering asthma medications or for an injury that a student may sustain from asthma medications for which the student does not have a prescription or does not have school district authorization.

**S.828 PHARMACISTS/PHARMACY TECHNICIANS Sen. Leatherman**

Currently, one pharmacist may not supervise more than two pharmacy technicians at one time. This bill increases that number to three technicians, and adds a provision that through June 30, 2006, at least one of these three technicians must be state-certified, and after June 30, 2006, at least two of these three technicians must be state-certified. The bill provides that if a pharmacist supervises only one or two pharmacy technicians, these technicians are not required to be state-certified.

## **WAYS AND MEANS**

**H.4952 COLLECTION OF STATE'S PORTION OF DEED  
RECORDING FEES Rep. E.H. Pitts**

This bill provides that the current penalty to which a clerk of court or register of deeds is subject for failing to collect and remit the State's portion of the deed recording fee, or place the notation on the instrument as required, is the exclusive penalty that may be imposed against the clerk of court or register of deeds for such failure. The bill also provides that for purposes of the Revenue Procedures Act, the definition of "taxpayer" does not include a clerk of court or register of deeds collecting and remitting the State's portion of recording fees as described above.

**H.4963 JUDGES' AND SOLICITORS' RETIREMENT SYSTEM Rep. Harrell**

This bill makes numerous revisions to the Retirement System for Judges and Solicitors, including but not limited to: defining "earned service;" revising provisions regarding establishing service credit (up to sixteen years) by providing the type and amount of service credit that may be established and the cost required to establish such service credit; providing options for System members to transfer to the system certain nonconcurrent credited service; providing options to which members may elect upon termination of service before retirement; providing the amount of earned service necessary for a member of the System to vest and receive a monthly benefit; increasing member contributions from seven to ten percent of compensation, phased in over three years, beginning at eight percent on July 1, 2004.

**H.4968 SOUTH CAROLINA MOTION PICTURE  
INCENTIVE ACT Rep. Limehouse**

This bill (a "skeleton" bill) enacts the South Carolina Motion Picture Incentive Act.

**H.4971 STATE COMMISSION ON HEALTHCARE ACCESS Rep. Harrell**

This joint resolution creates the South Carolina Commission on Healthcare Access, to be governed by a Commission including representatives appointed by the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor, as well as ex-officio membership from the

Department of Insurance and the Department of Health and Human Services. The Commission's objectives include, but are not limited to, providing direction and leadership for implementation of a plan for a Medicaid Expansion Program for working adults of small business; developing legislation to allow nonprofit community-based healthcare programs to raise funds through prepayment fees; and seeking funds for educational programs to prepare South Carolinians to be more informed healthcare consumers. The Commission is dissolved on June 30, 2007, or upon accomplishment of its work, whichever occurs earlier.

**H.4979 SOUTH CAROLINA TEXTILES COMMUNITIES  
REVITALIZATION ACT Rep. Talley**

This bill enacts the South Carolina Textiles Communities Revitalization Act. The purpose of the Act is to create a meaningful incentive for the renovation, improvements, and redevelopment of abandoned textile mill sites by providing certain tax credits.

**H.4991 PROPERTY TAX RELIEF Rep. Harrell**

This bill provides for a sales tax increase, elimination of certain sales tax exemptions, and reduction in administrative costs for the State Lottery Commission in order to provide property tax relief to South Carolinians. Highlights of the bill include, but are not limited to:

- Exempts 80% of the property tax on cars in calendar year 2005, 90% in 2006 and totally exempts property tax on cars in 2007. This tax will then be actually eliminated through a constitutional amendment.
- In 2005 counties, municipalities and special purpose districts will be reimbursed for the amount of property taxes not collected in that year. School Districts will be reimbursed in the same manner for the first six months of the calendar year.
- Any revenues beyond that required to reimburse local governments and school districts for the property taxes not collected will be distributed to school district on the basis of the Education Finance Act (EFA) formula. In the first year, this is anticipated to be approximately \$74,000,000 additional funding to schools.
- Funding for these reimbursements will be provided through the following sources:
  - 1) A one cent increase in the sales tax (excluding food, capped items, and accommodations).
  - 2) Elimination of seven sales tax exemptions including lottery tickets. (see list below)
  - 3) Reducing the administrative costs allowed for the Lottery Commission by two percent.
- In future years, reimbursements to counties, municipalities and special purpose districts will increase at the rate of growth in sales tax.



- Local governments' payments will be based upon their prorated share of personal property taxes collected in the year of implementation.
- Beginning in 2008, a per capita distribution method for local governments will be phased in at a rate of ten percent of the total funds distributed per year.
- Beginning July 2005, all funds not utilized to pay units of local government other than school districts will be distributed to school districts based upon the EFA formula.
- Most of the funds currently provided to school districts through appropriations other than the EFA will be distributed based upon the EFA formula excluding funds for transportation, instructional materials, and school building aid.
- The EFA/Base Student Cost weighting formula is changed to reflect EOC recommendations which include new weightings for prevention (students meeting the poverty index), remediation (students scoring below basic on state assessments), Gifted and Talented, Limited English Proficient (LEP) students, and adult education.
- The funds dedicated to education will be used to fund the base student cost at a 21:1 pupil/teacher ratio. It also includes five additional staff days for teachers that are paid for with the EFA formula in this legislation.
- The required Base Student Cost in the first year of implementation would be approximately \$5,078.
- The state will provide 70% of the Base Student Cost state-wide.
- School districts local match would no longer be required by law.
- The maintenance of effort requirement in the EIA is also deleted.
- Any districts which would have a net loss in state and local combined funding as a result of the plan will be held harmless.
- The State Department of Education's budget shall be re-formatted to reflect these changes.
- Sales tax Exemptions Removed:

#20 Railroad Cars	70,000
#21 Vessels/Barges	15,000
#35 Motion Picture Films	3,000,000
#40 Containers and Chassis	400,000

#49 Postage Purchased for Advertising	600,000
#57 Sales Tax Holiday	4,900,000
#60 Lottery Tickets	<u>33,930,000</u>
Subtotal of Exemptions	42,915,000
Additional One Cent on Exemption	8,583,000

**H.4992 CONSTITUTIONAL AMENDMENT REGARDING PROPERTY**

**TAX RELIEF Rep. Harrell**

This joint resolution proposes the Constitutional Amendment providing property tax exemptions included in H.4991 (see summary above).

**H.4993 INCOME TAX CREDIT FOR SOCIAL SECURITY**

**TAXES PAID ON WAGES Rep. Bowers**

This bill authorizes an income tax credit to certain new businesses which do not qualify for other incentives provided in this State, for Social Security taxes paid on an employee's wages.

**H.4997 PROPERTY TAX EXEMPTION Rep. Bowers**

Effective July 1, 2005, this bill provides for a property tax exemption on residential property consisting of four or fewer units in amounts of fair market value to equal a four percent assessment ratio on such property (currently taxed on an assessment equal to six percent of the fair market value). The bill creates the Residential Property Tax Relief Trust Fund and requires that a cumulative fifteen percent of recurring General Fund revenue growth be credited to the fund to reimburse local taxing entities for property taxes not collected due to this exemption.

**H.4998 ASSESSMENT RATES FOR PROPERTY TAX Rep. Bowers**

This bill provides that the four percent assessment ratio allowed for owner-occupied residential property extends to an owner's nonadjacent residential parcels of property occupied by the owner's immediate family.

**H.4999 INCOME TAX CREDIT/PROPERTY TAX EXEMPTION Rep. Bowers**

This bill authorizes an income tax credit for Social Security taxes paid on an employee's wages, and a personal property tax exemption, to certain new businesses which do not qualify for other incentives provided in this State.

**H.5000 PROPERTY TAXES Rep. Bowers**

This bill replaces property tax on personal passenger vehicles with a uniform fee established by the Department of Revenue as provided in the bill.



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